

The Development Strategy builds on redevelopment and revitalization efforts by describing a coherent strategy, which the EPS Team believes represents positive direction for near-term initiatives that can advance development within the Study Area, and generate stronger interest by the private development industry in fulfilling the community's goals.

In the few months since September 2011, the EPS Team has visited with numerous community stakeholders (property owners, business owners, private and non-profit developers, neighborhood organizations, etc.) and conducted site surveys, market analysis, and an assessment of infrastructure conditions to identify key issues and opportunities for future development. Importantly, this Development Strategy is not intended to *alter* the community's vision for these corridors, as represented in the various planning documents of recent years, but rather to *advance* that vision by identifying pathways to its successful implementation.

The EPS Team recognizes that in any development strategy, the process may require recalibration as needed due to numerous dynamics. In February 2012, the United States Department of Housing and Urban Development (HUD) notified participating jurisdictions including the City of Austin of its prioritization in bringing longstanding federally-funded projects to a close, in essence ensuring federally-funded activities meet the required national objective as dictated by the respective federal source of funds. EPS acknowledges that the recommendations signaled throughout the Strategy impacting publicly-owned tracts may require aggressive action on behalf of the City of Austin to ensure responsiveness to HUD's direction. EPS acknowledges that where this action is required, it may not align with recommendations as identified below.

## Summary of Findings and Recommendations

The EPS Team recognizes the potential of the Study Area to enhance livability in East Austin generally, and to participate more fully in the economic vitality of the City and region. We believe the vision for the community – a mixed-use environment of moderate scale that offers community services and employment opportunities and respects the adjacent residential neighborhoods, as reflected in the various planning documents and regulations – represents an appropriate and achievable future for the Study Area. As such, no major overhaul to the vision is recommended. However, numerous steps can be taken that can help realize that positive vision. The EPS Team recommends the following efforts be undertaken to facilitate desired revitalization of the East 11<sup>th</sup> and 12<sup>th</sup> Street Study Area:

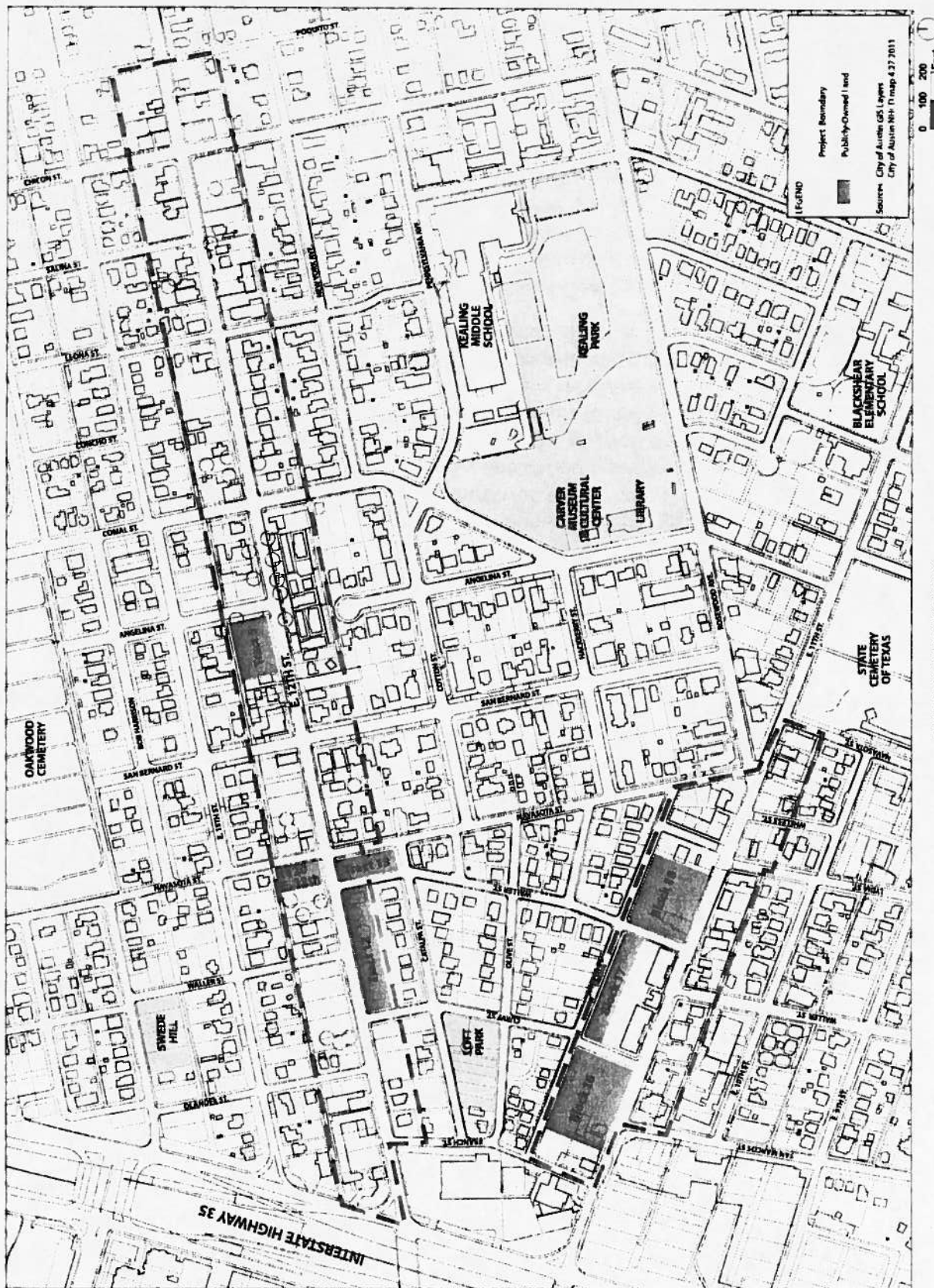
- 1. Clarify the development regulations and process by reconciling the NCCDs and Urban Renewal Plan.** The NCCDs are the controlling zoning regulation for the Study Area. However, the NCCDs indicate that developments must conform with the "Project Controls" for various parcels as outlined in the Urban Renewal Plan (URP), which was originally adopted in 1999 and has been modified five times thus far. On parcels where the URP still has these Project Controls (many have been eliminated over the years), proposals that do not strictly conform to the parcel-specific descriptions of uses, amounts of development, etc., can trigger the need for multi-level project approvals even if those projects otherwise conform to the NCCD entitlements. The community should re-confirm the importance of the remaining specific Project Controls, or else modify them in favor of more flexible requirements as already have been enacted on many development sites in the Study Area. If such flexibility were created for those parcels, NCCD-conforming projects could be processed administratively, rather than requiring lengthy, costly, and uncertain review by the Urban

Renewal Board, the Planning Commission, and the City Council. In addition, the URP should be updated as a single consolidated document; presently, it is available as the original document plus five amendments, making it very difficult to navigate.

2. **Establish at least \$10 million in public funding to underground utilities, improve streetscape, and subsidize wastewater infrastructure upgrades on East 12<sup>th</sup> Street.** In recent years, the City has upgraded infrastructure capacity and placed utilities underground in certain locations on 11<sup>th</sup> Street, and also on East 7<sup>th</sup> Street. The removal of many poles and wires and improvement of the un-landscaped, utilitarian streetscape on East 12<sup>th</sup> Street would signal the City's support of the area, and improve its "look and feel" to attract new businesses and other development and community activity. The EPS Team has estimated that these streetscape and undergrounding projects would have a combined cost of roughly \$9 million. In addition, wastewater infrastructure in certain areas of East 12<sup>th</sup> Street may need replacement and upgrades to accommodate future development. The EPS Team has estimated that these wastewater improvements would cost roughly \$1 million. Providing at least this \$10 million total funding also will help to improve the feasibility of new development and attract private investment by removing significant costs from projects' financing needs.
3. **Dedicate resources to attract a grocery store to anchor the area's businesses.** The Study Area has no grocery store, is described as a "food desert," and most community members indicate they travel well outside the neighborhood to get their groceries. In addition to serving the community, a grocery store could anchor more extensive community retail and services. As the area's population has grown and increased in income levels, and as the residential and employee population of Downtown Austin continues to grow, a mid-sized grocery store should be increasingly feasible in the Study Area. Staff resources should be devoted to pursuing such a tenant – potentially incorporated into a mixed-use development that takes advantage of the NCCD's higher-density allowances – and financial incentives such as New Markets Tax Credits should be explored as necessary.
4. **Encourage the inclusion of locally owned businesses and "below market rate" commercial space in new development.** Most of the businesses in the Study Area are small and locally owned, and may be susceptible to displacement as new development occurs, particularly if they are renting rather than owning their space. Through the development solicitation process, all mixed-use or commercial projects on publicly-controlled sites should be strongly encouraged to provide at least 50 percent of commercial space for locally-owned businesses, and may be granted further preference if they also include some commercial space at lease rates below market-rates.
5. **Encourage mixed-income housing development, plus new housing for families and seniors.** Market analysis indicates that the area has a comparatively high concentration of subsidized housing, relative to the rest of the City, but that seniors and modest-income families have been moving out of the neighborhood. Some stakeholders attribute this neighborhood transition, at least in part, to rising housing costs or tax burdens. New development should be encouraged to provide some units large enough for families, including a goal that 10 percent of new units on currently public land should have three or more bedrooms. The City may wish to support senior housing development on one of the publicly-controlled sites, or may offer incentives to achieve such a development on a privately held

site such as the block between East 11<sup>th</sup> and 12<sup>th</sup> Street just east of IH 35 or at 12<sup>th</sup> and Chicon. Other projects that include housing on publicly-controlled sites should be encouraged to provide 10 percent of units affordable at up to 60 percent of Median Family Income (if rentals), but otherwise focus on market-rate and/or ownership housing. Achievement of these strategies would increase the supply of market-rate housing in the community and dilute the current concentration of "affordable" rental units, but also address some continuing needs for impacted market segments.

- 6. Enhance public parking on East 11<sup>th</sup> and 12<sup>th</sup> Street to support local businesses and reduce costs for new private development.** For any development that occurs on publicly owned parcels on both East 11<sup>th</sup> and 12<sup>th</sup> Streets, proposing developers should be encouraged through the selection process to provide surplus "community parking" spaces that can serve the greater area. Many of the developable sites on East 12<sup>th</sup> Street are constrained by size, and may have difficulty achieving the higher density, higher value uses enabled by current regulations if they must provide even the minimum code-required parking on-site. Moreover, the bike lanes both east- and west-bound on East 12<sup>th</sup> Street have reduced the supply of on-street parking by about half. A new public parking lot on Tract 13 between Waller and Navasota could provide roughly 20 spaces, and reduce the need for costly and space-intensive on-site parking on nearby sites. Also, "duck-in" parking should be encouraged along the south side of East 12<sup>th</sup> Street and the north-south streets approaching East 12<sup>th</sup> Street, to provide a less costly alternative to structured parking. Finally, the existing community parking lots on both East 11<sup>th</sup> and 12<sup>th</sup> Streets should be maintained until and unless other future projects on public or private land can provide similar public parking capacity.
- 7. Offer other publicly-held land for development as soon as possible.** The City of Austin or other quasi-public entities control several parcels in different locations throughout the Study Area (see **Figure 2**). Some of this land has been in public control for over a decade, and has been cleared of previous "slum and blight" conditions but not yet developed. Some of these sites were acquired or improved using Federal funding, and are subject to requirements regarding development for specific purposes or repayment of those funds. Infill development on these sites will enhance the physical environment, add services desired by the community and/or create additional support for existing businesses – all signaling to the development industry that the Study Area is receiving attention from the City. Requests for Proposals (RFPs) should be prepared and distributed for several sites, with minimum standards and desirable "value-added" elements specified.
  - a. Block 16** – An RFP was issued for this URA-controlled block in 2008, but received limited developer interest, primarily because the real estate market and financing industry were in turmoil at that time. Most of the requirements of the RFP were reasonable – seeking mixed-use development and requiring modest affordable housing goals (if building rental housing), green building standards, etc. – and need not be substantially altered in a re-issued RFP. In an updated RFP, synergies with the adjacent African American Cultural and Heritage Facility should be strongly encouraged, as should the inclusion of space for local businesses. To the extent allowed by law, it would be helpful to provide some flexibility in the financing of the land acquisition, including potential for ground leasing, modestly deferred payments, etc., that may help to enhance opportunities for desirable community benefits.



**PUBLIC LAND FOR DISPOSITION**  
**East 11th and 12th Street Redevelopment Strategy Project**

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 (04-2542) 8/10/2011

- b. Block 17** – This land, sitting immediately north of the Street-Jones and Snell Buildings and facing Juniper Street, is planned to be developed for townhomes or live/work lofts. The City should expedite development of this land, either through direct construction carried out by the Austin Housing Finance Corporation or near-term transfer of the property to a motivated developer.
- c. Block 18** – This URA land just east of the Snell Building on East 11<sup>th</sup> Street is home to the Victory Grill and the East Room. The community should consider modifying the Urban Renewal Plan to provide site plan flexibility similar to that already provided for Block 16, or confirm that the specific Project Controls for Block 18 should be maintained. Following that discussion, an RFP should be issued. Developers should be encouraged to propose various ways to support the historic properties and the African American Cultural Heritage District on this block, in addition to the provision of community parking and space for local businesses.
- d. Tract 12** – This City owned land on East 12<sup>th</sup> Street has already been planned and platted for single-family attached housing (e.g., townhomes). To contribute more substantially to the commercial activity on East 12<sup>th</sup> Street, the community should consider modification of the URP to allow uses such as mixed-use development and/or live/work units offering ground floor commercial space *within* side-by-side townhomes. The land should be sold as quickly as possible to a motivated developer.
- e. Tract 13** – This City owned land is more problematic to develop for housing than most sites, because it is oriented north-south and has limited width between Curve and Waller Street. The community should consider modifying the URP to encourage retail development on the East 12<sup>th</sup> Street frontage, plus community parking spaces. If such modification is approved, the City can issue an RFP for this site that allows for ground leasing, and seek to dedicate the revenues achievable through the leasing opportunity to the modest improvement of the site for community parking and potentially open space. If consensus cannot be reached to modify the URP for such use, the land should be sold as quickly as possible to a motivated developer.
- f. 1120 East 12<sup>th</sup> Street** – This small site should be sold to the highest bidder as quickly as possible, as it offers little opportunity for desired development as a stand-alone site.
- g. Tract 5** – This URA site on the north side of East 12<sup>th</sup> Street between San Bernard and Angelina, is designated in the URP for mixed-use and/or commercial development. The 0.6-acre site may also be large enough to accommodate senior housing as part of a mixed-use project, and could also be a potential site for a neighborhood grocery. An RFP for this site should be issued, though it may be appropriate to delay this solicitation until some progress can be made on the attraction of a grocery store to the Study Area, in the event that this site represents the most viable opportunity and should not be "lost" to other uses.
- h. Community Parking** – The existing community parking lots on East 11<sup>th</sup> and East 12<sup>th</sup> Street should only be considered for more intensive development if and when adequate replacement spaces can be provided elsewhere in their vicinity.



- 8. The City must continue law enforcement efforts around East 12<sup>th</sup> Street and Chicon, and should also seek to support development and businesses in the area.** The Austin Police Department has conducted numerous efforts to improve security and law enforcement in this area, including closure of problem houses, enforcement of trespassing/loitering prohibitions, community clean-ups, etc. These efforts should continue, as should the community discussion regarding the merits of security cameras. The City does not own any properties near this intersection, but can provide technical assistance and financial incentives to support new development and existing businesses. One example could be a public lease commitment for space in a new development, as occurred to support the Street-Jones Building on East 11<sup>th</sup> Street. The infrastructure funding recommended above may be particularly beneficial for this area, which is a minor commercial node that can be significantly enhanced through streetscape and utility undergrounding, and has the most pressing need for wastewater improvements to expand capacity for envisioned development.
- 9. Numerous City departments must coordinate their efforts to implement desired improvements in the Study Area.** NHCD and the Urban Renewal Board can initiate certain actions, including preparation of submissions for infrastructure funding, discussions of modifications to existing development regulations, and disposition or development of public land. Other City departments should also be engaged as a Technical Advisory Group to prioritize and implement desired strategic actions. Examples of such departments and their potential roles include, without limitation, the following:
- Law and Planning & Development Review – minor modifications and more user-friendly organization to development regulations
  - Public Works, Austin Energy, Watershed Protection, and Austin Water Utility – prioritization, design and construction of infrastructure upgrades
  - Economic Growth and Redevelopment Services, Real Estate, and Contract and Land Management – solicitation and selection of development proposals, disposition of land prioritization of funds needed for future bond program(s)
  - Austin Police Department – continued law enforcement and community engagement

The EPS Team believes that implementation of the strategies and actions summarized above, and discussed in greater detail on subsequent pages, will make major and positive differences in the East 11<sup>th</sup> and 12<sup>th</sup> Street Study Area. The combination of physical improvements, regulatory clarifications, market and business enhancement, and organizational energy will signal the City's renewed commitment to the area. Private investment will be attracted, while the community's longstanding vision and goals will be respected. And the Study Area will more fully capitalize on its great potential as a vibrant urban neighborhood in Austin.